

EXHIBIT 4

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

BYRON BARRETT, individually, and on behalf
of all others similarly situated,

Plaintiffs,

v.

RC2 CORPORATION, INC.,

Defendant.

FILED
08 JAN 28 PM 12:42

CIRCUIT COURT OF COOK
COUNTY, ILLINOIS
CHANCERY DIV. 20924

CLERK
Judge William O. Maki

**AGREED MOTION TO AMEND SETTLEMENT AGREEMENT, CLAIM FORM AND
NOTICE TO CLASS MEMBERS**

The Parties to this Class Action settlement having reviewed the Settlement Agreement, the Claim Form, and the Notice to the Class approved by this Court on January 23, 2008, agree and jointly move this Court to Amend the Claim Form and Notice to Class Members prior to the publication of notice as follows:

1. The Parties intended and agreed that the settlement of this class action would entitle the class members who had participated in the Defendant's toy recalls to cash refunds. A review of the settlement agreement as presently worded reveals that this relief is provided for implicitly.

2. To resolve any arguable ambiguities, the parties agree to add the following text to the end of Section V(B)(1), at page 14 of the Settlement Agreement:

Further, any Class member who has previously returned a Settlement Toy Product to RC2 Corporation in the recall process and has received a replacement produce from RC2 Corporation for the recalled item may return the replacement product to RC2 for a cash refund under the same terms as described above.

(see "Amendment No. 1 to Class Action Settlement Agreement, a true and accurate copy of which is attached as Exhibit A).

3. Furthermore, the Settlement Agreement should be amended so that Exhibit 1 to the Settlement Agreement (the list of recalled toys) deletes a duplicative entry for the Red Sodor Line Caboose, and includes an item inadvertently omitted, the Red Baggage Car. (See Exhibit A1).

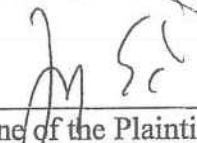
4. The deletion of this duplicative entry and the inclusion of the Red Baggage Car is also reflected in the proposed amendment to Exhibit 3 of the original Settlement Agreement, the Full Notice. (See "Notice of Class Action and Proposed Settlement," a true and accurate copy of which is attached as Exhibit A2).

5. The Parties agree that these minor changes will reduce any potential confusion to class members.

WHEREFORE, the Parties respectfully request this Honorable Court approve and order the agreed to modifications to the Settlement Agreement, Claim Form and Notice to Class Members, order that the Amended Settlement Agreement, Amended Claim Form and Amended Notice to Class Members supersede the original claim form and notice, and award such additional relief as this Court deems necessary and just.

Respectfully submitted

BYRON BARRETT, individually, and on behalf of
all others similarly situated,



One of the Plaintiff's attorneys

For the Plaintiffs
Jay Edelson
Steven L. Lezell

KAMBER EDELSON LLC
53 West Jackson Blvd., Suite 1530
Chicago, Illinois 60604
(312) 589-6370
attorney no. 44146

Gino L. Divito
TABET DIVITO & ROTHSTEIN LLC
180 North LaSalle Street, Suite 1510
Chicago, Illinois 60601
(312) 762 9450

William M. Audet
AUDET & PARTNERS, LLP
221 Main Street, Suite 1460
San Francisco, CA 94105

For the Defendants
Bart Murphy
ICE MILLER LLP
2300 Cabot Drive
Suite 455
Lisle, Illinois 60532
(630) 955-0555

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

| | |
|--|--------------------|
| BYRON BARRETT, individually and on behalf of) | |
| a class of similarly situated individuals,) | |
|) | |
| Plaintiff,) | No. 07 CH 20924 |
|) | |
| v.) | Judge William Maki |
|) | |
| RC2 CORPORATION,) | |
|) | |
| Defendant.) | |

AMENDMENT NO. 1 TO
CLASS ACTION SETTLEMENT AGREEMENT

The Parties hereby agree to amend the Class Action Settlement Agreement as follows:

1. Exhibit 1 to the Settlement Agreement is corrected to delete an item listed twice (the Red Sodor Line Caboose) and include an item omitted (Red Baggage Car). The attached Exhibit 1 replaces and supersedes the Exhibit 1 attached to the original Settlement Agreement.

2. The following text is added to the end of Section V (B) (1) at page 14 of the Settlement Agreement:

Further, any Class Member who has previously returned a Settlement Toy Product to RC2 Corporation in the recall process and has received a replacement product from RC2 Corporation for the recalled item may return the replacement product to RC2 for a cash refund under the same terms described above.

3. Exhibit 3 to the Settlement Agreement (the Full Notice) is amended to correct the omission of the Red Baggage Car from the list of Settlement Toy Products and also to make explicit in Option No. 2 instructions that Class Members may return

replacement products received in the recall process for cash refunds under Option No.2.

The attached Exhibit 3 supersedes and replaces the Exhibit 3 attached to the Settlement Agreement.

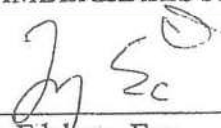
AGREED:

SETTLEMENT CLASS

LEAD CLASS COUNSEL ON BEHALF OF THE SETTLEMENT CLASS

Dated: January 28, 2008

KAMBEREDELSON, LLC



Jay Edelson, Esq.
KamberEdelson, LLC
53 W. Jackson Blvd; Suite 1530
Telephone: 312.589.6370
Facsimile: 312.913.9401

*Co-Lead Class Counsel On Behalf of
Plaintiffs and the Settlement Class*

DEFENDANT

Dated: January 28, 2008

RC2 CORPORATION



By its Counsel
Bart T. Murphy
Ice Miller, LLP
2300 Cabot Dr., Ste. 455
Lisle, IL 60532
630-955-6392

EXHIBIT 1

EXHIBIT 1
SETTLEMENT TOY PRODUCTS

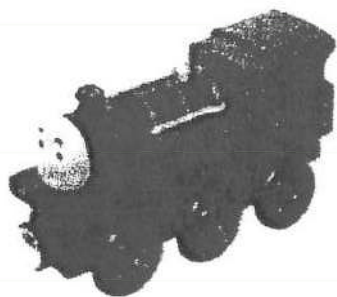
Settlement Toy Products include the following list of toys which were produced or manufactured at the Overseas Winner ("OW") or 3i ("3i") factories. If the product code on the toy (or packaging if still available) does not indicate the toy was manufactured at OW or 3i then the toy has not been recalled and is not a Settlement Toy Product. Toys with product codes containing "WJ" or "AZ" are not recalled and are not Settlement Toy Products. The specifications for each toy listed below indicate the dates recalled versions of that toy were first sold or manufactured or provide other specifications. Toys purchased prior to the relevant first sold or manufacturing date set forth in the specifications below for each toy or which do not meet any other specifications set forth for that toy, were not recalled and are not Settlement Toy Products. In addition to the specifications of Settlement Toy Products set forth above, all of the recalled toys are depicted in the attached photographs which shall apply to the determination of whether a toy has been recalled and is a Settlement Toy Product.

| Description & Specifications | LC Item # | SRP* |
|--|---------------------|-------------|
| Red Coal Car (Sold in Special Edition Battery Operated Thomas Track Rider Set) <i>Specifications</i> : First sold May 2006 | 35526 | \$9.00 |
| Yellow "Sodor Cargo Co." Cargo Piece (Sold as part of Great Adventure Set) <i>Specifications</i> : First sold September 2006 | LC09748 | \$2.00 |
| Red Skarloey Engine (Sold as On-Pack Promo Item to Anchor Bay (LC09790) and at retail (LC09790A)) <i>Specifications</i> : First sold February 2005 | LC09790 LC09790A | \$10.99 |
| Red Holiday Caboose (Sold as On-Pack Promo Item to Anchor Bay) <i>Specifications</i> : First sold August 2005 | LC09815 | \$3.00 |
| Red Coal Car Labeled "2006 Day Out With Thomas" <i>Specifications</i> : First sold March 2006 | LC09996 | \$9.99 |
| Red James Engine and Red James #5 Coal Tender (Note 2 pieces sold together at retail) <i>Specifications</i> : First sold March 2005 | LC99005A | \$19.99 |

* Prices listed are the suggested retail prices ("SRP") and if a consumer demonstrates through reasonable proof of purchase evidence that he or she paid more than the SRP, or conversely less than the SRP, then the actual amount paid by the consumer for the item will apply to refunds for that item.

| | | |
|--|--------------------------------|---------|
| Brown & Yellow Old Slow Coach <i>Specifications:</i> First sold February 2006 | LC99030 | \$15.99 |
| Red Lights & Sounds James Engine and Red James #5 Lights and Sounds Coal Tender (Note 2 pieces sold together at retail) <i>Specifications:</i> First sold April 2006 | LC99041 | \$24.99 |
| Red Musical Caboose <i>Specifications:</i> First sold November 2006 | LC99043 | \$12.99 |
| Red Sodor Mail Car (Sold in Hard at Work Percy & Mail Car Set) <i>Specifications:</i> First sold November 2006 | LC99045 | \$9.00 |
| Red Sodor Line Caboose (Sold individually (LC99050A) and in Conductor's Figure 8 Set (LC99535) and in Knapford Bridge Figure 8 Set (LC99557) <i>Specifications:</i> First sold January 2005 | LC99050A LC99535 LC99557 | \$10.00 |
| James Engine with Team Colors and James #5 Coal Tender with Team Colors (Note 2 pieces. Sold in Adventures of James Set) <i>Specifications:</i> First sold August 2006 | LC99134 | \$15.00 |
| Red Hook & Ladder Truck (Sold in Fire Crew Set) <i>Specifications:</i> First sold January 2005 | LC99196A | \$9.99 |
| Red Water Tanker (Sold in Fire Crew Set) <i>Specifications:</i> First sold January 2005 | LC99196A | \$10.00 |
| Sodor Smelting Yard <i>Specifications:</i> First sold February 2006 | LC99369 | \$59.99 |
| Ice Cream Factory <i>Specifications:</i> First sold September 2005 | LC99974 | \$59.99 |
| Deluxe Fire Station (Building) (Sold as a set – Building and 2 vehicles) <i>Specifications:</i> First sold May 2006 | LC99380 | \$49.99 |
| Red Fire Brigade Train (Sold as part of Deluxe Fire Station) <i>Specifications:</i> First sold May 2006 | LC99380 | \$10.00 |
| Red Fire Brigade Truck (Sold as part of Deluxe Fire Station) <i>Specifications:</i> First sold May 2006 | LC99380 | \$10.00 |

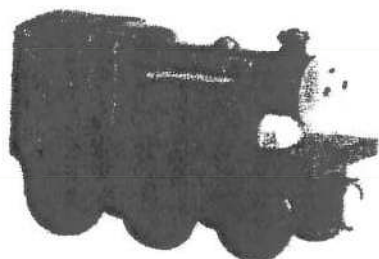
| | | |
|--|----------------------------------|---------|
| Red Stop Sign (Sold as part of Conductor's Figure 8 Set) <i>Specifications:</i> First sold April 2006 | LC99535 LC99535T LC99535TC | \$1.00 |
| Red Baggage Car (Sold as part of Oval Set) <i>Specifications:</i> First sold October 2005 | LC99561 | \$10.00 |
| Yellow & Green Box Car (Sold as part of Conductor's Figure 8 Set) <i>Specifications:</i> First sold April 2006 | LC99535 LC99535T LC99535TC | \$10.00 |
| Yellow RR Crossing Sign (Sold in Oval Set (LC99561) and in Bridge & Crane Figure 8 Set (LC99567) <i>Specifications:</i> First sold October 2005 | LC99561 LC99567 | \$1.00 |
| Toad Vehicle with Brake Lever <i>Specifications:</i> Only toys with Product code 1656OW00 are recalled. | LC99027 | \$12.99 |
| Green Maple Tree Top (Sold in Conductor's Figure 8 Set) <i>Specifications:</i> Manufactured March 2006 through April 2007. | LC99535 or LC99535T | \$1.50 |
| Green Signal Base (Sold in Conductor's Figure 8 Set) <i>Specifications:</i> Manufactured March 2006 through April 2007. | LC99535 or LC99535T | \$0.50 |
| Black Cargo Car (Sold in Brendam Fishing Dock Set) <i>Specifications:</i> Only Black Cargo Cars contained in the Brendam Fishing Dock set (LC99362) and sold from March 2003 through July 2005 in the Brendam Fishing Dock Set are recalled. Black Cargo Cars contained in other sets are not included in the recall. Only black cargo cars with black sides and black wheels as depicted in the attached photos to this Exhibit are subject to the recall. Only Black Cargo Cars having no product code or containing one of the following product codes are recalled: 26833i, 28233i, 23243i00, 24643i00, 25343i00, 27443i00, 32043i00, 34743i00, 01553i00, 04553i00, 13353i00, 14753i00, 15453i00 or 18353i00. | LC99362 | \$8.00 |
| Olive Green Sodor Cargo Box (Sold only in Deluxe Cranky Set) <i>Specifications:</i> Manufactured January 2005 through December 2005 | LC99371 | \$2.00 |



Red James Engine



Red James # 5 Coal Tender



Red Lights & Sounds James Engine



Red James # 5 Lights
& Sounds Coal Tender



Red Stop Sign



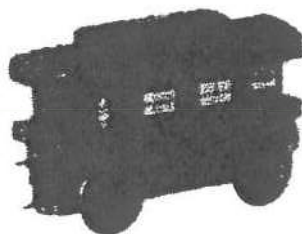
James Engine with Team Colors



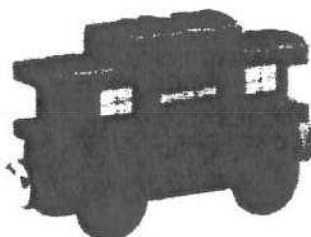
James # 5 Coal Tender
with Team Colors



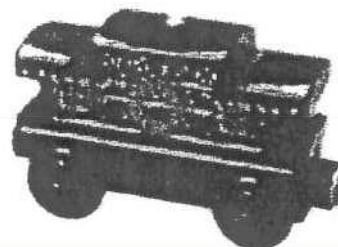
Yellow Railroad Crossing Sign



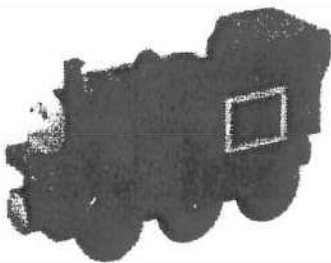
Red Musical Caboose



Red Sodor Line Caboose



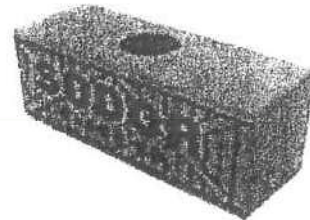
Red Holiday Caboose



Red Skarloey Engine



Brown & Yellow Old Slow Coach



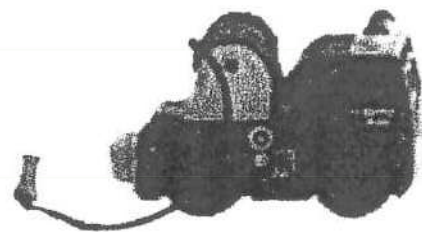
Yellow "Sodor Cargo Co."
Cargo Piece



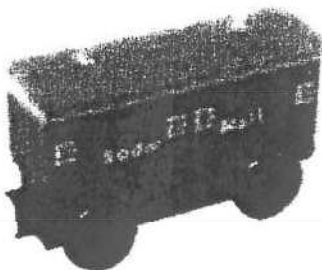
Red Baggage Car



Red Fire Brigade Train



Red Fire Brigade Truck



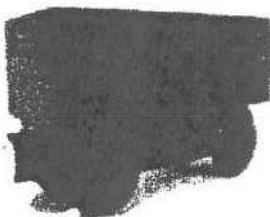
Red "Sodor Mail" Car



Red Hook & Ladder Truck



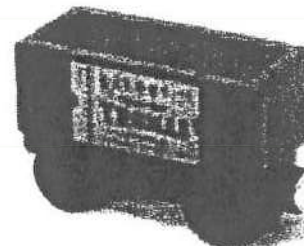
Red Water Tanker Truck



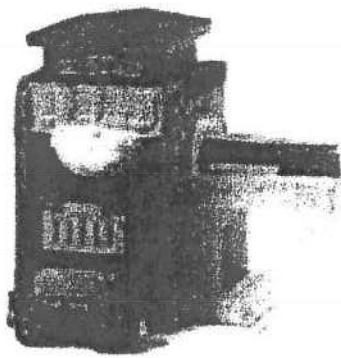
Red Coal Car



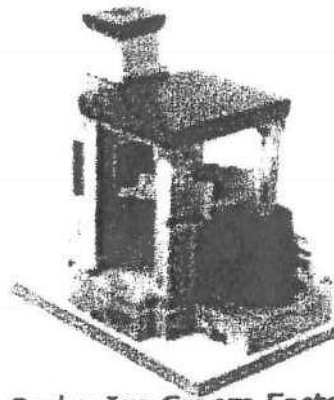
Yellow & Green Box Car



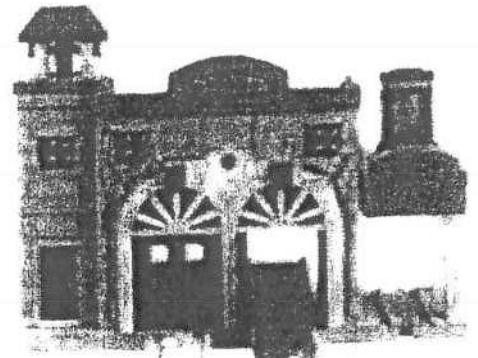
Red Coal Car Labeled
"2006 Day Out With Thomas"



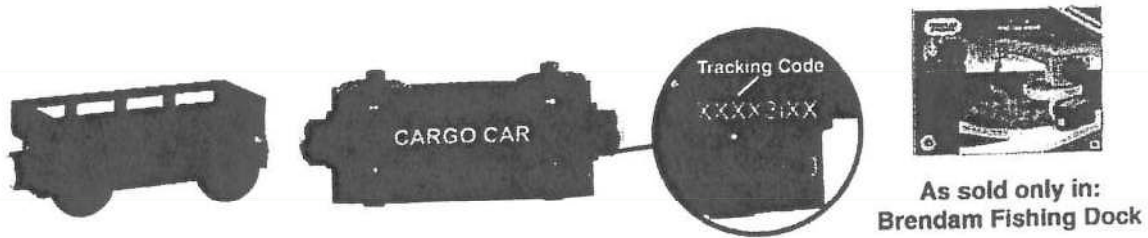
Sodor Smelting Yard



Sodor Ice Cream Factory



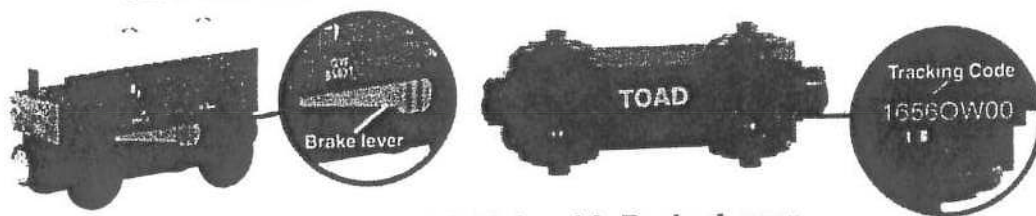
Deluxe Sodor Fire Station



As sold only in:
Brendam Fishing Dock

All-Black Cargo Car

Manufactured : March 2003 through July 2005



Toad Vehicle with Brake Lever

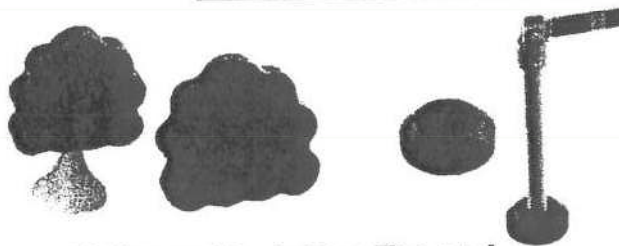
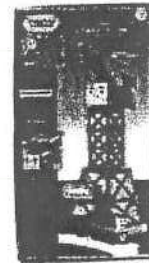
Manufactured : June 2006



As sold only in:
Deluxe Cranky

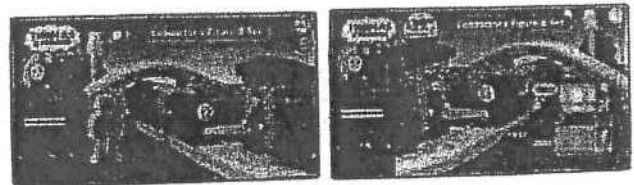
Olive Green Sodor Cargo Box

Manufactured : January 2006 through December 2006



**All-Green Maple Tree Top and
Green Signal Base Accessories**

Manufactured : March 2006 through April 2007



As sold only in:
Conductor's Figure 8 Set

EXHIBIT 3

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

BYRON BARRETT, individually, and on behalf
of all others similarly situated
Plaintiffs,
v.
RC2 CORPORATION,
Defendant.

No. 07 CH 20924
Judge William O. Maki

NOTICE OF CLASS ACTION AND PROPOSED SETTLEMENT

TO: All persons who purchased or otherwise acquired any recalled Learning Curve Thomas & Friends Wooden Railway product in the United States (the "Settlement Class").

PLEASE READ THIS NOTICE CAREFULLY. THIS IS NOT A NOTICE OF A LAWSUIT AGAINST YOU. YOU MAY BENEFIT FROM READING THIS NOTICE.

IF YOU WISH TO RECEIVE CERTAIN RELIEF UNDER THE CLASS SETTLEMENT, YOU MUST RETURN THE CLAIM FORM AT THE END OF THIS NOTICE.

1. WHAT THIS SETTLEMENT IS ABOUT

Plaintiffs filed this action in the Circuit Court of Cook County, Illinois on behalf of a proposed class, alleging that Defendant manufactured and distributed certain Thomas & Friends Wooden Railway toys which contained excessive levels of lead or heavy metals and which were recalled in June and September of 2007. The complaint alleges claims for breach of warranties, product liability or negligence, unjust enrichment and violation of state consumer protection statutes and seeks monetary and injunctive relief. To resolve this matter without the expense and uncertainties of litigation, the Parties have reached a proposed settlement. The settlement includes injunctive relief, monetary relief under specific limited circumstances and a cy pres donation. This settlement is not an admission of wrongdoing by any party.

Judge William O. Maki has granted preliminary approval of the settlement and has certified the Settlement Class defined above, subject to a fairness hearing which will take place on **May 6, 2008 at 11:00 a.m.** in Room 2302 of the Circuit Court of Cook County, Illinois, Daley Center, 50 W. Washington, Chicago, Illinois 60602.

This notice explains the nature of the lawsuit and the terms of the settlement and informs you of your legal rights and obligations.

Only certain Thomas & Friends Wooden Railway toys which were recalled in June and September of 2007 are the subject of this

settlement. The recalled Thomas & Friends Wooden Railway toys are identified on the settlement website which can be found online at: www.thomastrainsettlement.com.

By settling this lawsuit, Defendant is not admitting that it is liable to the Settlement Class.

Plaintiffs and Defendants have agreed to the settlement described below. **IF YOU WISH TO RECEIVE CERTAIN RELIEF UNDER THE SETTLEMENT, YOU MUST RETURN THE APPROPRIATE CLAIM FORM(S) AT THE END OF THIS NOTICE BY JULY 7, 2008.** If you do not wish to be part of the settlement, you must opt-out.

2. RELIEF PROVIDED TO CLASS MEMBERS UNDER THE SETTLEMENT

A. Relief for All Settlement Class Members - Injunctive Relief.

Defendant agrees to the entry of an injunction requiring it to develop a Quality Assurance Plan ("QAP") for the production of painted Thomas & Friends Wooden Railway products sold by it which shall include specified procedures and checks to ensure product safety.

B. Relief for Settlement Class Members Filing Claims – Four Options

In addition to the above described injunctive relief, which will be provided to all Settlement Class members, all Settlement Class members are entitled to individual relief in the form of a

replacement toy for the recalled item plus a bonus toy or alternatively a cash refund for the recalled item. You may choose the relief you wish to receive. In order to obtain this relief you must submit a claim form by **July 7, 2008** and follow the instructions contained herein. You may select one option for each item.

OPTION 1

Replacement Toy(s) and Bonus Toy

If you purchased or own a recalled toy and have not returned the toy in the recall already, you are entitled to receive a replacement for the recalled item(s) and a bonus toy. To receive this relief you must return the recalled toy(s) and the Option 1 Claim Form to the Claims Administrator using the prepaid shipping label. The Claims Administrator will ship a replacement toy(s) to you along with a bonus toy, if you follow the instructions contained herein. **Your claim form and recalled toy must be received by the Claims Administrator by July 7, 2008 or your claim will be rejected.** Follow the steps below to make a claim under this Option.

Step 1 – Verify Toy is a Recalled Item

You should check the settlement website at www.thomastrainsettlement.com to ensure the toy is a recalled item subject to this settlement.

Step 2 – Obtain Prepaid Shipping Label

In order for Defendant to pay for the cost of shipping your recalled item to the Claims Administrator, you must obtain a prepaid shipping label from Defendant. Defendant will not pay for shipping unless you use the prepaid shipping label. To obtain a pre-paid shipping label you may mail a request to the Claims Administrator for a shipping label or you can download a label by using the link on the settlement website at: www.thomastrainsettlement.com

Step 3 – Complete & Sign Option 1 Claim Form

You must complete an Option 1 Claim Form which is available at the end of this notice or which may be downloaded from the settlement website (see address above). You must complete all information requested and sign the claim form.

Claim forms which are incomplete or are not signed will be rejected.

Step 4 – Send Recalled Toy(s) and Option 1 Claim Form to Claims Administrator

Send the recalled toy(s) and completed and signed Option 1 Claim Form to the Claims Administrator using the prepaid shipping label or at your own expense.

Within 90 days of final approval by the Court of the Settlement, the Claims Administrator will ship the replacement toy(s) and bonus item to you.

OPTION 2

Cash Refund – Return of Item(s)

You may return the recalled toy(s) to the Claims Administrator for a cash refund. Further if you have already sent the recalled toy(s) to RC2 Corporation in the recall process and have received a replacement toy(s) for the recalled toy, you have the option of returning the replacement toy(s) sent to you in the recall process for a cash refund. If you submit proof of purchase evidence with your claim form you will receive a cash refund in the amount of your actual purchase price for the recalled toy(s). If you do not have proof of purchase evidence, then you will receive an agreed upon amount for each toy returned which is the suggested retail price. To receive this relief you must return the recalled or replacement toy(s) and the Option 2 Claim Form to the Claims Administrator using the prepaid shipping label. The Claims Administrator will issue a check to you. **Your claim form and recalled or replacement toy(s) must be received by the Claims Administrator by July 7, 2008 or your claim will be rejected.** Follow the steps below to make a claim under this Option.

Step 1 – Verify Toy is a Recalled Item

You should check the settlement website at www.thomastrainsettlement.com to ensure the toy is a recalled item subject to this settlement. If you are returning a replacement toy received from RC2 in the recall process you can skip this step.

Step 2 – Obtain Prepaid Shipping Label

In order for Defendant to pay for the cost of

shipping your recalled or replacement toy to the Claims Administrator, you must obtain a prepaid shipping label from Defendant. Defendant will not pay for shipping unless you use the prepaid shipping label. To obtain a pre-paid shipping label you may mail a request for a label to the Claims Administrator or you can download a label by using the link on the settlement website at: www.thomastrainsettlement.com:

Step 3 – Complete & Sign Option 2 Claim Form

You must complete an Option 2 Claim Form which is available at the end of this notice or which may be downloaded from the settlement website (see address above). You must complete all information requested and sign the claim form.

Step 4 – Send Recalled or Replacement Toy(s), Option 2 Claim Form and Any Proof of Purchase Evidence to Claims Administrator

Send the recalled toy(s) or the replacement toy(s) you received from RC2 in the recall process, the completed and signed Option 2 Claim Form and any proof of purchase evidence you have showing amount paid for the toy(s) to the Claims Administrator using the prepaid shipping label or at your own expense. Note that you must return the recalled toy or replacement toy with the claim form to receive this relief.

OPTION 3

Refund for Disposed Items With Proof of Purchase Evidence

If you destroyed or disposed of the recalled toy(s) and you have proof of purchase evidence you may receive a cash refund for each recalled toy (**up to a maximum of 2**) which you disposed of or destroyed. You are not entitled to relief under this option if you simply transferred ownership or gave the recalled item to someone else. To receive this relief you must return the Option 3 Claim Form and proof of purchase evidence to the Claims Administrator. **Your claim form must be received by the Claims Administrator by July 7, 2008 or your claim will be rejected.** Follow the steps below to make a claim under this Option.

Step 1 – Verify Toy is a Recalled Item

You should check the settlement website at www.thomastrainsettlement.com to ensure the toy you are claiming is a recalled item subject to this settlement.

Step 2 – Complete & Sign Option 3 Claim Form

You must complete an Option 3 Claim Form which is available at the end of this notice or which may be downloaded from the settlement website (see address above). You must complete all information requested and sign the claim form. Claim forms which are incomplete or are not signed will be rejected.

Step 3 – You Must Enclose Proof of Purchase Evidence for the Items Claimed

In order to obtain this relief you must provide proof of purchase evidence showing you purchased the recalled item you destroyed or disposed of. You must provide a receipt showing the date of purchase and the UPC, Learning Curve Product Number or product description sufficient to identify the item as a recalled product. If you do not provide this evidence your claim will be rejected.

Step 4 –Mail Option 3 Claim Form to Claims Administrator

Mail the completed and signed Option 3 Claim Form and the proof of purchase evidence by mail at your own expense to the Claims Administrator at the address listed on the claim form.

OPTION 4

Coupon for Disposed Items Without Proof of Purchase Evidence

If you destroyed or disposed of the recalled toy(s) and you do not have proof of purchase evidence, you may receive a coupon for \$15.00 for the purchase of a Thomas & Friends Wooden Railway toy from Learning Curve's online store, for each recalled toy (**up to a maximum of 2**) which you disposed of or destroyed. You are not entitled to relief under this option if you simply transferred ownership or gave the recalled item to someone else. There are limits on the value of coupons

which may reduce the amount below \$15.00 depending on the number of claims. To receive this relief you must return the Option 4 Claim Form to the Claims Administrator. The Claims Administrator will issue a coupon(s) to you. **Your claim form must be received by the Claims Administrator by July 7, 2008 or your claim will be rejected.** Follow the steps below to make a claim under this Option.

Step 1 – Verify Toy is a Recalled Item

You should check the settlement website at www.thomastrainsettlement.com to ensure the toy you are claiming is a recalled item subject to this settlement.

Step 2 – Complete & Sign Option 4 Claim Form

You must complete an Option 4 Claim Form which is available at the end of this notice or which may be downloaded from the settlement website (see address above). You must complete all information requested and sign the claim form. Claim forms which are incomplete or are not signed will be rejected.

Step 3 –Mail Option 4 Claim Form to Claims Administrator

Mail the completed and signed Option 4 Claim Form to the Claims Administrator at your own expense. If you provide an e-mail address, your coupon(s) may be e-mailed to you.

C. Charitable Donation.

In addition to the injunctive relief and individual relief provided to the Settlement Class, Defendant will also be making a donation of \$100,000 to an appropriate not-for-profit organization to be approved by the Court.

3. ATTORNEY'S FEES AWARD Plaintiff's counsel will request approval of the Court for attorney's fees and costs of up to \$2,900,000.00. Defendant will not oppose or cause to be opposed an application by Plaintiff's counsel for attorney's fees up to that amount. Plaintiff's counsel will not request additional fees and costs from Defendants or the class.

4. AWARD TO CLASS REPS

Subject to Court approval, the Class Representatives, will receive an incentive award of up to \$5,000 for their service as Class Representatives.

5. COSTS Costs associated with the notice and administration of this settlement will be paid by Defendant.

6. RELEASE Unless you exclude yourself from the settlement, you will be part of the Settlement Class. By staying in the Settlement Class, all of the Court's orders will apply to you, and you will give Defendant and its affiliated companies and their predecessors and successors, a "release" for certain claims arising from or relating to the recalled toys which you have or had from the beginning of time until the Effective Date of the Settlement Agreement. A release means you cannot sue or be part of any other lawsuit against Defendant, or its affiliated companies about the claims or issues in this Lawsuit ever again. The release provided to Defendant and its affiliated companies does not include individual claims for personal injury.

7. CLASS COUNSEL'S OPINION OF THE VALUE OF THE SETTLEMENT

As part of this litigation Court approved and appointed Class Counsel have conducted investigation and discovery into the claims of the Settlement Class members and the defenses that might be asserted thereto. The investigation has included analysis of Defendant's documents and records, and consultation with expert consultants as well as analysis of relevant legal issues. Class counsel initiated and completed a lengthy mediation process before a neutral mediator who expressed his views about the case and the settlement. Based on this investigation, Class Counsel believes that the settlement is fair, reasonable and adequate and in the best interests of the Settlement Class. Class Counsel and Plaintiff also recognize the expense and length of continued proceedings necessary to continue to prosecute this case through verdict, judgment and appeals and have taken into account the uncertainty and the risk

of the outcome of continued litigation, especially in complex actions such as these as well as the difficulties and delays inherent in such actions.

8. FAIRNESS HEARING A hearing will be held on the fairness of the proposed settlement. At the hearing, the Court will be available to hear any objections and arguments concerning the fairness of the proposed settlement, including the amount of the award to Plaintiffs' counsel for costs and attorney's fees. The hearing will take place on **May 6, 2008 at 11:00 a.m.** before Judge William O. Maki in Room 2302 of the Richard J. Daley Center, 50 W. Washington, Chicago, Illinois 60602. **YOU ARE NOT OBLIGATED TO ATTEND THIS HEARING UNLESS YOU PLAN TO OBJECT TO THE SETTLEMENT.** If the settlement is not approved, the case will proceed as if no settlement had been attempted. There can be no assurance that if the settlement is not approved, the Settlement Class will recover more than is provided in the settlement, or indeed, anything.

9. WHO REPRESENTS YOU The Court has approved the following law firms to represent the Settlement Class. They are called "Class Counsel". You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

Lead Class Counsel:

| | |
|---------------------|-------------------------|
| Jay Edelson | William M. Audet |
| KamberEdelson LLC | Audet & Partners, LLP |
| 53 W. Jackson Blvd. | 221 Main St., Ste. 1460 |
| Suite 1530 | San Francisco, CA |
| Chicago, IL 60604 | 94105 |
| Tel: 866-541-0323 | |

Liaison Counsel:

Gino L. DiVito
Tabet DiVito & Rothstein LLC
209 S. LaSalle St., 7th Fl.
Chicago, IL 60604

You also have the right to retain counsel at your own expense to advise you as to your rights under the settlement.

10. YOUR OPTIONS

A. Remain in the Class.

If you wish to receive the relief provided under the settlement you should remain in the Settlement Class. If you wish to receive the individual relief available under this settlement you must submit a claim form as described above.

B. Exclude Yourself From the Settlement Class.

You have the right to exclude yourself from the class action settlement by filing a written request for exclusion with the Clerk of the Circuit Court of Cook County, Illinois, Daley Center, 50 W. Washington, Chicago, Illinois 60602. By excluding yourself from the settlement you will not be legally entitled to receive any of the relief provided by Defendant under the settlement. The request for exclusion must be filed with the Clerk of the Court on or before April 21, 2008 and must list your name, address, and the name and number of this case. You must also mail copies of the request for exclusion to each of the attorneys whose address is provided below, and such mailing must be postmarked by April 21, 2008.

Class Counsel:

Jay Edelson
KamberEdelson LLC
53 W. Jackson Blvd.
Suite 1530
Chicago, IL 60604

Defendant's Counsel:

Bart T. Murphy
Ice Miller, LLP
2300 Cabot Drive,
Suite 455
Lisle, IL 60531

C. You May Object to the Settlement.

If you object to the settlement, and wish to submit an objection, you must file your written objection with the Clerk of the Circuit Court of Cook County, Illinois, Daley Center, 50 W. Washington, Chicago, Illinois 60602. The objection must be filed with the Clerk of the Court on or before April 21, 2008 and must refer to the name and number of this case. You must also send a copy of your objection by first class mail to the attorneys for the Plaintiffs and Defendants listed above, and such mailing must be postmarked by April 21, 2008. Any objection must include your name and address, the name and number of this case, and a statement of the reasons why you believe that the

Court should find that the proposed settlement is not fair or is not in the best interests of the class. You must also submit proof of class membership. You may also appear at the hearing before Judge William O. Maki on May 6, 2008 at 11:00 a.m. and request to be heard by the Court as to your objection. If you wish to be heard by the Court at the Fairness Hearing you must so indicate in your objection filed with the Court. **YOU ARE NOT REQUIRED TO ATTEND THIS HEARING UNLESS YOU WISH TO PRESENT AN ARGUMENT TO THE COURT AS TO YOUR OBJECTION.** Please note that it is not sufficient to simply state that you object. Your objection should state the reasons why you object to the settlement or why it should not be approved.

11. THIS NOTICE ONLY PROVIDES A GENERAL DESCRIPTION

This description of the case contained in this notice is general and does not cover all of the issues and proceedings thus far. In order to see the complete file, including a copy of the Settlement Agreement, you should visit the office of the Clerk of the Circuit Court of Cook County, Illinois, Daley Center, 50 W. Washington, Chicago, Illinois 60602. The Clerk will make the files relating to

this lawsuit available to you for inspection and copying at your own expense. Certain documents are also available on the settlement website: www.thomastrainsettlement.com.

12. INQUIRIES

Any questions you or your attorney may have concerning this notice should be directed to Class Counsel at the address listed above. Please include the case name and number, and your name and your current return address on any letters, not just the envelopes. **You may also contact Class Counsel at 866-541-0323.** Information is also available on the settlement website: www.thomastrainsettlement.com.

Please do not contact the Court Clerk or the Defendant's attorneys; as they are not in a position to give you any advice about this settlement.

By Order of the Court Dated: January 23, 2008

HONORABLE JUDGE WILLIAM O. MAKI
CIRCUIT COURT OF COOK COUNTY,
ILLINOIS, CHANCERY DIVISION

TWR Settlement Claims Administrator
2021 Ninth St. S.E.
Dyersville, IA 52040-2316
Attn: Claims Processing

| | | | |
|--|---|--|---|
| | Brown & Yellow Old Slow Coach | | Red Lights & Sounds James Engine and Red James #5 Lights and Sounds Coal Tender (Note 2 pieces sold together at retail) |
| | Red Musical Caboose | | Red Sodor Mail Car |
| | Red Sodor Line Caboose | | James Engine with Team Colors and James #5 Coal Tender with Team Colors (Note 2 pieces.) |
| | Red Hook & Ladder Truck | | Red Water Tanker |
| | Sodor Smelting Yard | | Ice Cream Factory |
| | Deluxe Fire Station (Building) | | Red Fire Brigade Train |
| | Red Fire Brigade Truck | | Red Stop Sign` |
| | Red Baggage Car | | Yellow & Green Box Car |
| | Yellow RR Crossing Sign | | Toad Vehicle with Brake Lever |
| | Green Maple Tree Top | | Green Signal Base |
| | Black Cargo Car (Sold in Brendam Fishing Dock Set only) | | Olive Green Sodor Cargo Box (Sold only in Deluxe Cranky Set) |

III. SEND CLAIM FORM AND RECALLED ITEMS TO CLAIMS ADMINISTRATOR

Use pre-paid shipping label supplied and send this completed claim form and the recalled items to the Claims Administrator at the address above.

I affirm under penalty of perjury that the statements made in this Claim Form are true and correct. I also acknowledge that by participating in this settlement I am providing a release to Defendant and its affiliated companies.

SIGNATURE (YOU MUST SIGN)

Date: _____

(PRINT NAME and TITLE - if a company)

| | |
|---|---|
| Red Skarloey Engine | Red Holiday Caboose |
| Red Coal Car Labeled "2006 Day Out With Thomas" | Red James Engine and Red James #5 Coal Tender (Note: 2 pieces sold together at retail) |
| Brown & Yellow Old Slow Coach | Red Lights & Sounds James Engine and Red James #5 Lights and Sounds Coal Tender (Note 2 pieces sold together at retail) |
| Red Musical Caboose | Red Sodor Mail Car |
| Red Sodor Line Caboose | James Engine with Team Colors and James #5 Coal Tender with Team Colors (Note 2 pieces.) |
| Red Hook & Ladder Truck | Red Water Tanker |
| Sodor Smelting Yard | Ice Cream Factory |
| Deluxe Fire Station (Building) | Red Fire Brigade Train |
| Red Fire Brigade Truck | Red Stop Sign |
| Red Baggage Car | Yellow & Green Box Car |
| Yellow RR Crossing Sign | Toad Vehicle with Brake Lever |
| Green Maple Tree Top | Green Signal Base |
| Black Cargo Car (Sold in Brendam Fishing Dock Set only) | Olive Green Sodor Cargo Box (Sold only in Deluxe Cranky Set) |

III. PROOF OF PURCHASE SHOWING PRICE

If you have proof of purchase (a receipt) showing the price you paid for the recalled item, enclose it and you will receive a refund based on this price. If you do not have proof of purchase evidence showing the price paid you will receive a refund based upon suggested retail price.

III. SEND CLAIM FORM, RECALLED ITEMS & PROOF OF PURCHASE EVIDENCE TO CLAIMS ADMINISTRATOR

Use pre-paid shipping label supplied and send this completed claim form, the recalled item(s) and any proof of purchase evidence to the Claims Administrator at the address above.

I affirm under penalty of perjury that the statements made in this Claim Form are true and correct. I also acknowledge that by participating in this settlement I am providing a release to Defendant and its affiliated companies.

SIGNATURE (YOU MUST SIGN)

Date: _____

(PRINT NAME and TITLE - if a company)

| | | | |
|--|---|--|--|
| | Red Musical Caboose | | Red Sodor Mail Car |
| | Red Sodor Line Caboose | | James Engine with Team Colors and James #5 Coal Tender with Team Colors (Note 2 pieces.) |
| | Red Hook & Ladder Truck | | Red Water Tanker |
| | Sodor Smelting Yard | | Ice Cream Factory |
| | Deluxe Fire Station (Building) | | Red Fire Brigade Train |
| | Red Fire Brigade Truck | | Red Stop Sign` |
| | Red Baggage Car | | Yellow & Green Box Car |
| | Yellow RR Crossing Sign | | Toad Vehicle with Brake Lever |
| | Green Maple Tree Top | | Green Signal Base |
| | Black Cargo Car (Sold in Brendam Fishing Dock Set only) | | Olive Green Sodor Cargo Box (Sold only in Deluxe Cranky Set) |

III. PROOF OF PURCHASE EVIDENCE (YOU MUST SUBMIT)

In order to obtain this relief you must enclose proof of purchase evidence with this claim form showing you purchased or owned the recalled item you destroyed or disposed of. You must provide a receipt showing the date of purchase and the UPC Code, Learning Curve Product Number or Product Description sufficient to identify the item as a recalled product. **If you do not provide this evidence your claim will be rejected.**

IV. MAIL CLAIM FORM TO CLAIMS ADMINISTRATOR

Mail this completed claim form and proof of purchase evidence to the Claims Administrator at the address above

I affirm under penalty of perjury that the statements made in this Claim Form that I disposed of or destroyed the above indicated recalled toys, are true and correct. I also acknowledge that by participating in this settlement I am providing a release to Defendant and its affiliated companies.

SIGNATURE (YOU MUST SIGN)

Date: _____

(PRINT NAME and TITLE - if a company)

